

LONG-TERM CARE IN THE UNITED STATES

by
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Abstract

In the United States, long-term care services are widely used by several individuals in diverse age groups. The cost of long-term care continues to increase, creating an unsuitable issue of paying high out of pocket costs for care and subject many to the Medicaid eligibility requirements that have caused individuals to deplete (spend down) their remaining assets. Currently, there has been minimal congressional action to address the issue of long-term care costs and the problem of spending down. Certain legislation has been proposed but did not successfully become enacted or was repealed. For example, the Community Living Assistance Services and Supports Act would have helped consumers cover some long-term care costs; however, federal officials could not make it work financially, and it was repealed. Nonetheless, states like Washington, passed legislation at a state level to support long-term care financing. In this policy memorandum, the goal is to lessen the burden of Medicaid eligibility requirements and protect individuals' savings, finances, and home when applying for long-term care coverage. Therefore, to not increase Medicaid spending drastically and protect an individual from the high costs of long-term care, the Partnership Program within the Deficit Reduction Act will be amended and expanded. The second portion of the proposal is that Congress pass a law requiring all states to be required to offer an employer-based long-term care insurance option.

Further, the memorandum will discuss the various policy and political benefits of long-term care insurance and the consequences. Presently, public views favor a government-administered insurance plan, or Medicare pays for its entirety. Contrary, the younger population has little confidence in government safety-net programs. While long-term care insurance has been successful in other countries, United States Republicans and Democrats have opposing health policy goals. Hence, there is a lack of bipartisanship for a solution to long-term care, and there has been for a significant amount of time. Upon considering the lack of political bipartisanship and potential policy flaws, it is recommended not to move forward with this proposal.

Advised by: Professor Paul Weinstein

Acknowledgements

I would like to thank my sister, mother, father, and Elizabeth Flores wholeheartedly, whose endless support and love have helped continue my academic career and complete this project. I would also like to recognize and dedicate this paper to my father, Jose Carrion, who has battled Lou Gehrig's Disease (ALS) for the past eight years. His resilience and strong spirit have instilled in me the fruitful values of life and education, and that adversity can be overcome. Lastly, I would like to acknowledge all the individuals currently in the nursing home system - you are not alone.

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Memorandum for United States Senator Chuck Grassley
From: Ileana Marie Carrion
Subject: Long-Term Care in the United States

Action-Forcing Event

In October 2019, the American Council on Aging provided statistics establishing that the nationwide annual costs of long-term care for a shared room is approximately \$90,155 and for a private room is \$102,200. Further, to qualify for Medicaid a patient must have “very limited income and very few financial assets.”¹ USA Today reported that 70% of individuals aged 65 or older will require some form of long-term care during their lives, and two-thirds of Americans age 40 and up say they’ve done little to no planning for their long-term care needs.² Most Americans are subjected to the excessive costs of long-term care and forced to abide by Medicaid’s strict regulations. This presents an unsustainable dynamic where individuals will not be able to afford long-term care out of their own pockets and will not receive public support to cover these inevitable costs.

Statement of Problem

This paper addresses the following problems of out of pocket costs for long-term care and the Medicaid eligibility requirements. Further, this memorandum seeks to find solutions to the costs for long-term care within the United States and the Medicaid eligibility requirements that have caused many to spend down their remaining assets. The problem of long-term care costs has existed for many years, and more recently, the costs of care have increased substantially. A study conducted by the American Public Health Association in 2002 revealed that the costs spent for all personal health care by all elderly Medicare beneficiaries is \$284 billion.³ The estimates from the

¹ “Nursing Home Costs by State and Region - 2019.” American Council on Aging, October 24, 2019. <https://www.medicaidplanningassistance.org/nursing-home-costs/>.

² Olson, Alexandra. “Retirement Planning Should Include Long-Term Care Costs.” USA Today. Gannett Satellite Information Network, November 17, 2017. <https://www.usatoday.com/story/money/personalfinance/retirement/2017/11/17/retirement-planning-should-include-long-term-care-costs/866344001/>.

³ Guralnik, Jack M., Lisa Alexih, Laurence G. Branch, and Joshua M. Wiener. “Medical and Long-Term Care Costs When Older Persons Become More Dependent.” American Journal of Public Health 92, no. 8 (2002): 1244–45. <https://doi.org/10.2105/ajph.92.8.1244>.

study do not include costs of informal (unpaid) care or costs associated with loss of independence. Consequently, by 2018 the American Association of Retired Persons indicates that the median cost of a private room in a nursing home now tops over \$100,000 yearly, which is 1.6 times the median national annual household income.⁴ The cost of long-term nursing home care continues to rise, while it is already at a level that is beyond what most households can afford. Between 2002 and 2011, New York nursing homes had the highest daily price, while California's out of pocket costs increased over 50%.⁵ The Urban Institute indicates that the "annual costs for nursing home care will continue to grow at a rate much faster than inflation."⁵ The reasoning behind the continuous increases in nursing home costs is because more elderly Americans equal more demand for nursing home care. As wages go up for nursing home workers, so will the cost for customers that require this type of care.⁵

As nursing home costs and the need for long-term care increases, the issue arises of how to afford costs and manage Medicaid eligibility requirements. The Center for Disease Control and Prevention has estimated that by 2050, the number of individuals using paid long-term care services in any setting will almost double from 15 million using services in 2000 to 27 million individuals.⁶ The U.S. Department of Health and Human Services reports that over 4.5 million people aged 65 and over are below poverty level.⁷ With both statistics combined, this signifies that the number of people needing long-term care will increase while dealing with a tremendous population of seniors 65 and over that are living in poverty levels. Correspondingly, while seniors are in poverty, American retirees will have at least \$45 billion less in retirement income in 2030 than what they will need to cover basic expenditures and any expense associated with an episode

⁴ Sackett, Victoria. "Nursing Home Care Is Now More Than \$100,000." AARP, October 24, 2018. <https://www.aarp.org/caregiving/financial-legal/info-2018/nursing-home-costs-rising.html>.

⁵ McGrath, Luke. "The Future Looks Terrible for U.S. Nursing Home Costs." Claims Journal, June 25, 2019. <https://www.claimsjournal.com/news/national/2019/06/25/291660.htm>.

⁶ Harris-Kojetin L, Sengupta M, Park-Lee E, Valverde R. Long-term care services in the United States: 2013 overview. National Center for Health Statistics. VitalHealth Stat 3(37). 2013.

⁷ "Aging Statistics." Administration on Aging, January 2015. <https://acl.gov/sites/default/files/Aging%20and%20Disability%20in%20America/2015-Profile.pdf>

of care in a nursing home.⁸ The aggregate deficit in retiree income during the decade ending 2030 will be at least \$400 billion.⁸ Not only are seniors and retirees positioned in financial hardship, but most costs associated with any form of nursing home care will be expensive.

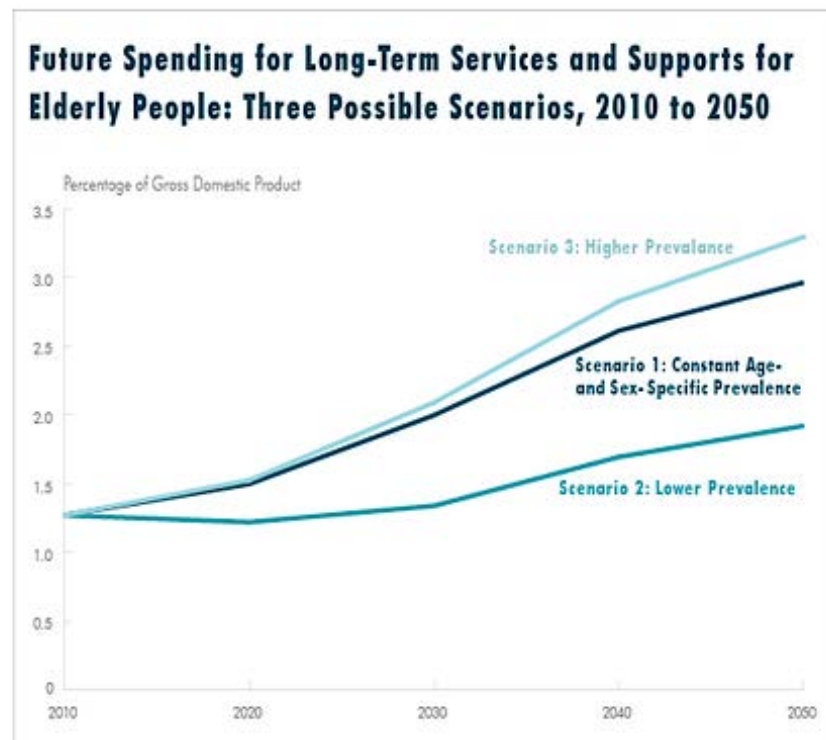


Figure 1 Source: Congressional Budget Office

The expenditures associated with long-term care will be increasing. The Congressional Budget Office (CBO) reports that long-term care expenditures for the elderly account for 1.3% of gross domestic product (GDP), and this share will rise in the future as the population ages.⁹ It is estimated that spending could be higher, and the GDP can increase to 3.3% by 2050 of long-term care spending, as shown in figure 1.⁹ Additionally, the CBO predicts that prices for institutional care will grow at a rate consistent with historical growth in nursing home prices.⁹

As prices for long-term care and out of pocket expenditures increase, so will state and federal Medicaid spending for long-term care. Further, to cover the costs of long-term care since

⁸ VanDerhei, J., and C. Copeland. Can America Afford Tomorrow's Retirees: Results from the EBRI-ERF retirement security projection model [Issue brief # 263]. Washington DC: Employee Benefit Research Institute, 2003.

⁹ "Rising Demand for Long-Term Services and Support for Elderly People." Congressional Budget Office, June 2013. <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44363-ltc.pdf>

the high costs drain finances of many people living in nursing homes, about two-thirds of patients enroll in Medicaid.⁹ Data from the CBO demonstrates that Medicaid spending will increase by 2023. Figure 2 demonstrates that between 2013 to 2023, CBO expects Medicaid spending on long-term care to grow by an average of 5.5.% per year while taking note that Medicare does not cover long-term care.⁹ Medicaid is a solution to not pay out of pocket costs for long-term care. Nonetheless, one must pay out of pocket costs to qualify for coverage. The increasingly strict requirements are a problem that has worsened within the last few years.

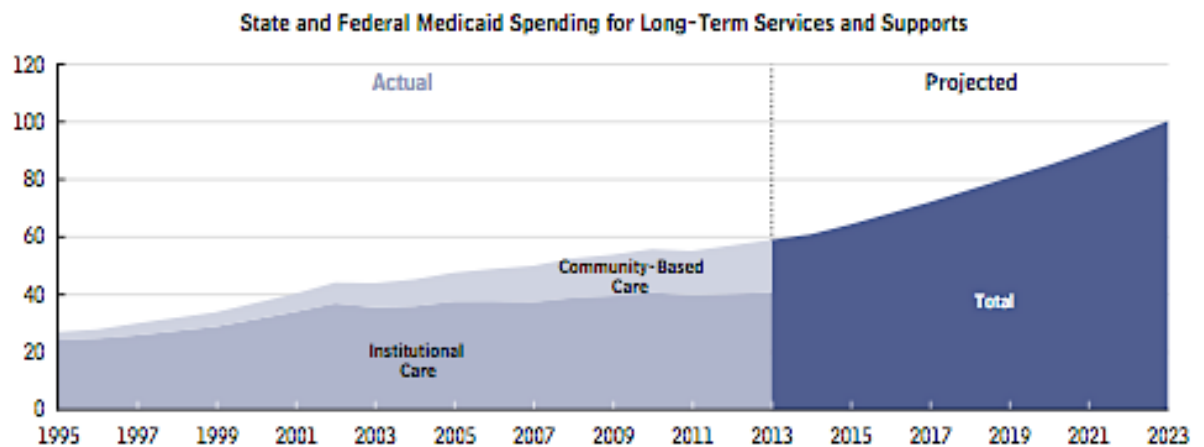


Figure 2 Source: Congressional Budget Office

The primary issue with Medicaid eligibility is that one qualifies after they have exhausted all their assets in a process called “spend down.”¹⁰ According to the Center for Economic Research, Medicaid utilizes the spend down mechanism to control nursing home expenditures and limit the number eligible for Medicaid.²⁰ For example, in 2019, Florida’s income limit for long-term care was \$2,313.¹¹ If an individual has any assets or monthly income that is excess of this amount, they will need to spend it on their care or pay off debt, before Medicaid activates. Further, the eligibility requirements that lead to spending down have only worsened over the

¹⁰ Norton, E. Elderly Assets, Medicaid Policy, and Spend-Down in Nursing Homes. Center for Economics Research, September 1995. <http://roiw.org/1995/309.pdf>

¹¹ “How Medicaid Spend Down Works? Rules, Exemptions & Limits.” What is Medicaid Spend-Down & How Does It Work? Accessed March 3, 2020. <https://www.payingforseniorcare.com/medicaid/spend-down>.

years. Currently, as standard, Medicaid allows an applicant to retain up to \$2,000 in countable assets.¹¹ Countable assets include cash, savings, property (unless the spouse is residing in the home), retirement accounts, IRA's, etc. Moreover, by 2019, a spouse is allowed to keep \$126,420, and this figure can vary by state.¹¹

Nevertheless, if an individual does not have a spouse and currently has savings and a home, they are forced to spend down in order to qualify for coverage fully. Furthermore, both issues - out of pocket costs and spending down for Medicaid eligibility - force individuals into financial hardship and loss of assets. As further indicated by the National Academy of Elder Law Attorneys, "most people who need such care for extended periods will eventually deplete their assets and become unable to pay the costs of their care."¹² Medicaid is constraining people to the position of paying out of pocket costs or spend down, both options that will diminish most of a person's assets and savings.

History/Background

According to the Center for Disease Control and Prevention, long-term care services include a variety of health, personal care, and supportive services that meet the needs of older individuals and those that the capacity for self-care is limited.¹³ The need for long-term care is inevitable for many. Currently, the government pays more than 60% of long-term care costs, but with the baby boom generation, long-term care costs are expected to double by the year 2025 and quadruple by 2050.¹⁴ The burden arises with the excessive costs of nursing homes and the Medicaid eligibility process. Medicaid is implicated with payments and services provided by a nursing home. Medicaid was created by Title XIX of the federal Social Security Act and is a

¹² Advanced Solutions International, Inc. Medicaid. Accessed March 3, 2020. https://www.naela.org/Web/Consumers_Tab/Consumers_Library/Consumer_Brochures/Elder_Law_and_Special_Needs_Law_Topics/Medicaid.aspx.

¹³ Harris-Kojetin L, Sengupta M, Lendon JP, Rome V, Valverde R, Caffrey C. Long-term care providers and services users in the United States, 2015–2016. National Center for Health Statistics. Vital Health Stat 3(43). 2019.

¹⁴ "BookMedicaid in Crisis : Could Long Term Care Partnerships Be Part of the Solution? ..." LC Catalog - Item Information (Full Record). Accessed March 3, 2020. <https://lccn.loc.gov/2010532930>.

program designed to provide assistance to individuals with significant medical needs.¹⁵ Medicaid is commonly utilized in nursing homes as a form of payment and to categorize certain services provided. Since nursing homes are widely utilized in the United States, and most skilled nursing facilities are Medicaid-certified. Medicaid-certified refers to a nursing home that provides three distinct types of services, including skilled nursing, rehabilitation, and long-term care.¹⁶ Per figure 3, 95.2% of nursing homes are Medicaid-certified.¹³ Unlike Medicaid-certified, Medicare does not certify or reimburse for services provided.¹⁶

Figure 6. Percentage of long-term care services providers that are Medicare- and Medicaid-certified, by sector: United States, 2016

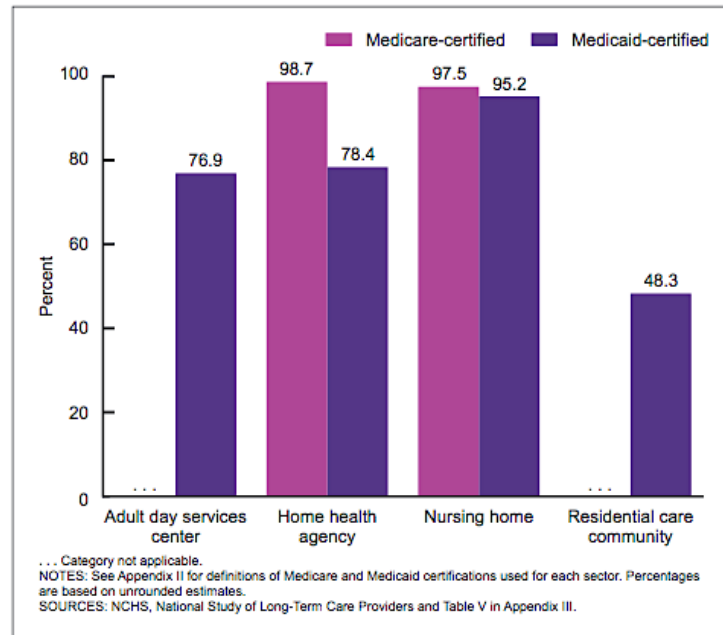


Figure 3 Source: National Center for Health Statistics

History of Medicaid & Medicare

Throughout the years, there have been attempts made to address the need and funding of long-term care. In 1965, Medicare and Medicaid were passed as amendments to the Social

¹⁵ Schroeder, June A. "‘Spending Down’ to Medicaid: One Caregiver's Personal Journey." AgingCare.com, June 21, 2018. <https://www.agingcare.com/articles/spending-down-to-medicare-133289.htm>.

¹⁶ "Nursing Facilities." *Medicaid*, www.medicare.gov/medicaid/long-term-services-supports/institutional-long-term-care/nursing-facilities/index.html.

Security Act, and Medicare's focus was, and still is, on acute care only and does not include long-term care.¹⁷ Initially, policy analysis expected Medicare would meet the health needs of the elderly. However, what occurred was that Medicare became modeled on what was available in the private health insurance sector.¹⁸ Minimal changes occurred in the 1980s to change reimbursement patterns where Medicare paid hospitals per episode of care, and Medicare beneficiaries transferred Medicare coverage to a managed care organization.¹⁸ Nevertheless, these changes did not include any modification to the financing of long-term care. Still, while many elderly individuals obtain Medicare benefits, about 90% of seniors buy supplemental insurance to wrap around Medicare benefits.¹⁸ When Medicaid was established, it required coverage of long-term care but not in-home, which created a bias in favor of institutional care. In 1981, Congress created the home and community-based waiver option (HCBS waiver), allowing states to create flexible community-based services, and cover them under nursing home benefits.¹⁹ However, Medicaid nursing home expenditures grew substantially in the 1980s; therefore, the HCBS waiver programs could not control the growth of institutional care.¹⁹

Moving forward to 2010, the Affordable Care Act (ACA) provided new options to states under the Medicaid program to incentivize improvements in their long-term care infrastructures. However, this did not change the entire structure of long-term care financing or the high out of pocket costs for nursing homes.¹⁷ By 2013, the Commission on Long-Term Care produced a report to Congress, establishing recommendations regarding service delivery and workforce.¹⁷ The report did not include an agreement on financing recommendations reached. Consequently, the out of pocket costs increased, and the use of Medicaid.

¹⁷ "Long-Term Care in the United States: A Timeline." The Henry J. Kaiser Family Foundation, September 11, 2015. <https://www.kff.org/medicaid/timeline/long-term-care-in-the-united-states-a-timeline/>.

¹⁸ Kane, Rosalie A., Robert L. Kane, and Richard C. Ladd. *The Heart of Long Term Care*. New York: Oxford University Press, 1998.

¹⁹ "The Past, Present, and Future of Managed Long-Term Care." ASPE, February 21, 2017. <https://aspe.hhs.gov/basic-report/past-present-and-future-managed-long-term-care#section1>.

Previous legislative efforts have been implemented to reduce the impact of nursing home financing and Medicaid eligibility. These efforts include federal efforts like the Deficit Reduction Act of 2005 and state-level efforts. The Deficit Reduction Act of 2005 officially passed in Congress and became a law on February 8, 2006.²⁰ The purpose of the DRA of 2005 was to introduce new rules discouraging improper transfer of assets to gain Medicaid, creating strict guidelines and penalties by which Medicaid currently utilizes when individuals and families that apply for coverage. Since enactment, the DRA tightened the Medicaid asset transfer rules, relating to transfers of assets for less than fair market value.²⁰ More specifically, the DRA created the “look-back period” of five years prior to the date the individual applied for Medicaid and established a penalty for transferring any funds within months of years before entering the nursing home. As a result, this makes it more challenging to protect assets and increases Medicaid eligibility restrictions. Additionally, the DRA changed treatment of annuities, that were often utilized to secure funds when a family member enters the nursing home.²⁰ Post DRA, the U.S. State where the individual resides must be named as the primary remainder beneficiary. Lastly, the DRA requires States consider the purchase of a promissory note, loan or mortgage as a transfer of assets for less than fair market value.

The DRA was created to ensure Medicaid eligibility would not be wrongfully utilized. However, the effects within the last few years have created a strict Medicaid eligibility system that enforces unfair Medicaid eligibility requirements and subjects people to the high costs of long-term care. Correspondingly, the DRA includes section 6021, which is a provision that authorizes States to offer special Medicaid asset disregards for persons purchasing and using qualified private long-term care insurance policies, known as “Partnership” policies.²¹ The added benefit of the Partnership Program is spend down protection and individuals earn one dollar of

²⁰ “Important Facts for State Policymakers Deficit Reduction Act.” cms. cms, January 2008.

²¹ “Long-Term Care Partnership Information-Approved Partnership States.” Long Term Care Partnership-State Long Term Care Partnership Plans-Medicaid Planning. Accessed March 17, 2020. <https://www.aaltci.org/long-term-care-insurance/learning-center/long-term-care-insurance-partnership-plans.php>.

Medicaid asset disregards for every dollar of insurance coverage paid on the individual's behalf.²¹ Despite this being a substantially beneficial provision within the DRA, not all states are participating. In other words, the long-term care Partnership Program is not a uniform program in all states, and there is still much left to designing a uniform program that applies the program to all states.

As of May 2019, Washington is the first state in the nation to create a state-run long-term care insurance benefit to support residents with the high cost of care, the Long-Term Care Trust Act.²² The provision of the Long-Term Care Trust Act will provide a lifetime benefit of \$36,500, indexed annually for inflation. Workers would be able to access their benefits once they've paid into the program for 10 years.²² The lifetime benefit of \$36,500 can be spent on long-term care, as well as additional support options for care. To qualify for benefits, Washington residents must be 18 or older and work at least 500 hours a year.²³ Additionally, the state will not begin to pay benefits until January 2025.²³ While the Long-Term Care Trust Act is beneficial, it only applies to Washington residents, and it is not federal law. However, it is a potential effort to reduce Medicaid spending for long-term care, and other states are looking to create similar long-term care financing models.

Despite past and present efforts, a majority of nursing home costs are paid in two forms comprising of out of pocket or Medicaid. Private insurance for nursing home expenses is limited, and the Medicare program does not cover long-term nursing home care.²⁴ As a result, if individuals are unable to produce payment out-of-pocket, then Medicaid is the safety net alternative. Nevertheless, Medicaid does not protect against financial catastrophe. For example,

²² Bunis, Dena. "Washington Passes Long-Term Care Insurance Bill." AARP. Accessed March 17, 2020. <https://www.aarp.org/politics-society/advocacy/info-2019/washington-long-term-care-law.html>.

²³ Famakinwa, Joyce. "New Long-Term Care Law Could Lead to a Home Care Business Boom." Home Health Care News. Home Health Care News, May 20, 2019. <https://homehealthcarenews.com/2019/05/new-long-term-care-law-could-lead-to-a-home-care-business-boom/>.

²⁴ Walker, Lina. *Private Savings, Medicaid and Uncertain Nursing Home Expenses*. Washington, D.C.: Congressional Budget Office, 2006.

the median elderly household held \$40,000 in liquid assets and about \$180,000 in household net worth.²⁴ If one of these individuals needed nursing home services, the costs would exhaust the financial resources of the household in a short period of time. According to figure 4 from the Center for Disease Control and Prevention, Medicaid is the payer source for 61.8% of nursing homes.¹³ The remaining payer source is out of pocket, bringing light to the issue of financial catastrophe to afford care.

Figure 23. Percentage of long-term care services users with Medicaid as payer source, by sector: United States, 2015 and 2016

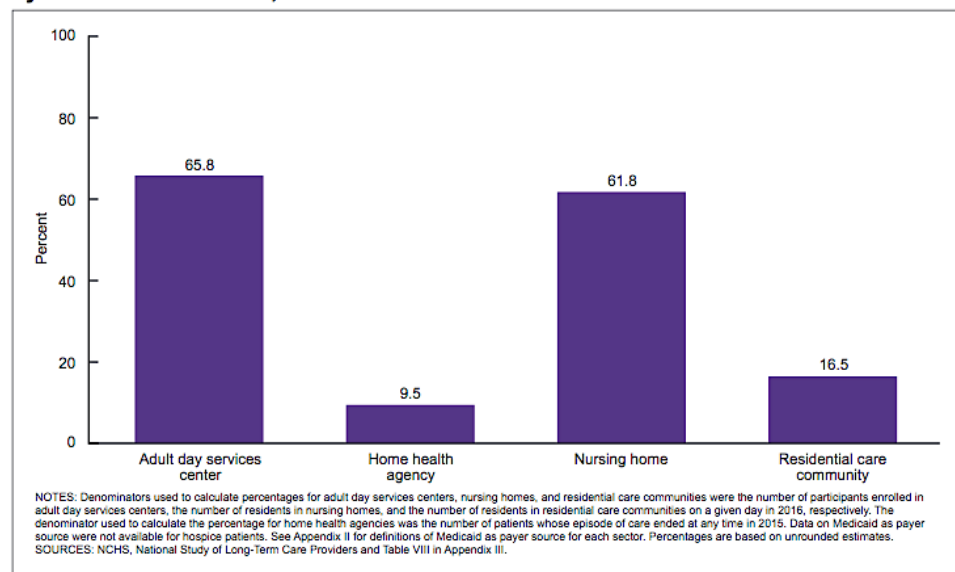


Figure 4 Source: Center for Disease Control and Prevention

Nursing Home Costs and Medicaid's Eligibility Requirements (Spend Down)

The average costs of long-term care vary annually and monthly per state. The median national cost of a semi-private or private room in a skilled nursing home facility was over \$90,000 annually in 2019.²⁵ The Georgetown University Medical Center determined that nursing home prices are rising and growing at a much faster rate than inflation.²² For instance, as noted earlier, in California between 2002 and 2011, the median out of pocket cost for nursing home care

²⁵ "Cost of Long-Term Care by State: 2019 Cost of Care Report." Genworth. Accessed February 18, 2020. <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>.

increased by 56.7%.²⁶ As prices of nursing home services are rising, most Americans are unaware of how Medicare works and how states administer coverage for Americans. More specifically, Medicaid requires one to exhaust most of their assets before qualifying for coverage. States have a considerable amount of discretion in determining who their Medicaid programs cover and what financial criteria is applicable for Medicaid.²² According to Congress, states are required to provide Medicaid coverage for those who receive federally assisted income and those who are “medically needy.”²⁷ The “medically needy” option allows those who have too much income, according to state requirements, to “spend down” to become Medicaid eligible, by incurring expenses to offset their excess income.²³ Further, reducing below the maximum allowed by that state’s Medicaid plan.

The purpose of the spend down is for an individual’s assets and income to meet Medicaid eligibility standards. Spend down can be seen as the exhaustion of assets or savings to pay for medical care prior to establishing Medicaid eligibility.²⁸ Notably, all of one’s income and assets must be spent to pay for care before one can fully have active Medicaid benefits to cover nursing home costs. The spend down usually applies to families and an average elderly person – middle class or at least not poor- who becomes disabled, enters a nursing facility and is subsequently impoverished by the high cost of paying out of pocket.²⁴ According to a sample collected in Massachusetts, an average single elderly person would spend down to Medicaid eligibility within 13 weeks in a nursing home, and only one in four would escape impoverishment after a year in a nursing home.²⁹ Consequently, spousal impoverishment can transpire, which is caused by the institutionalization of a disabled partner. Medicaid rules only allow a few hundred dollars of

²⁶ McGrath, Luke. 2019. “The Future Looks Terrible for U.S. Nursing Home Costs.” *Bloomberg.Com*, June, N.PAG. <http://search.ebscohost.com/login.aspx?direct=true&db=bsu&AN=137548342&site=ehost-live&scope=site>.

²⁷ Long-Term Care and Medicaid: Spiraling Costs and the Need for Reform: Hearing before the Subcommittee On Health of the Committee On Energy and Commerce, House of Representatives, One Hundred Ninth Congress, First Session, April 27, 2005. Washington: U.S. G.P.O., 2005.

²⁸ Korbin Liu, ScD, Pamela Doty, PhD, Kenneth Manton, PhD, Medicaid Spenddown in Nursing Homes, *The Gerontologist*, Volume 30, Issue 1, February 1990, Pages 7–15, <https://doi.org/10.1093/geront/30.1.7>

²⁹ Moody, Harry R., and Jennifer R. Sasser. *Aging: Concepts and Controversies*. Thousand Oaks, CA: Sage Publications, Inc., 2018.

income per month to be shifted from an institution facility to a community spouse who has little or no separate income.²⁵ In consequence, the predicament is that nursing home costs are at high levels. A majority of individuals will be required to pay out of pocket to afford care. The alternative is seeking Medicaid coverage to cover the costs of long-term care. However, to qualify, one must spend any excess savings or income, which can force someone into poverty and subject to harmful regulations by Medicaid.

The issue of nursing home care costs and the Medicaid eligibility process is more complex, aside from spending down. During the spending down process, individuals must pay nursing home bills first and surrender virtually all income to pay for the cost of care.³⁰ Medicaid pays for the remainder of the cost. As noted previously, the issue of spousal impoverishment exists because Medicaid allows nursing home residents and partners to keep a small personal need allowance (PNA).²⁶ The purpose of the PNA is to pay for other costs of living and is substantially minimal, both for the resident and spouse. When a spouse is surpassing the Medicaid eligibility process, they are treated individually. However, when determining the required contribution to the costs of care, they are treated as a couple.³¹ Financial concern has been established on behalf of a community spouse whose spouse is institutionalized. Essentially, Medicaid rules position the spouse to live at welfare levels.²⁷ As one can determine, the issue of nursing home costs, coupled with the Medicaid eligibility process, eventually leads to financial instability and poverty for both the individual in need and any family.

Policy Proposal

The goal of this proposal is to lessen the burden of Medicaid eligibility requirements and protect individuals' savings, finances, and home when applying for long-term care coverage. To

³⁰ Kassner, Enid, and Lee Shirey. "Medicaid Financial Eligibility for Older People: State Variations in Access To Home and Community-Based Waiver and Nursing Home Services." The Public Policy Institute. Last modified April 2000. https://assets.aarp.org/rgcenter/health/2000_06_medicaid.pdf.

³¹ O'Sullivan, Jennifer. "Medicaid: Spousal Impoverishment." Education and Public Welfare Division (CRS), July 1987, 16. CRS-1987-EPW-0047.

not increase Medicaid spending drastically and protect an individual from the high costs of long-term care, the Partnership Program within the Deficit Reduction Act will be amended and expanded. The second portion of the proposal is that Congress pass a law requiring all states to be required to offer an employer-based long-term care insurance option.

The primary portion of the proposal is to amend the Deficit Reduction Act, which contains the Partnership Program. As noted from the American Health Care Association, the Partnership Program is a public partnership between states and private insurance companies.³² The purpose of this program is to reduce Medicaid expenditures by delaying the need for Medicaid to pay for long-term care and produce asset protection.³² Currently, there are approximately 25 participating states in the Partnership Program.³² The objective of the proposal is to require all states to participate in the program, which provides insurance benefits that prevent one from having to spend-down any exceeding money that would disqualify them for Medicaid and decrease dependence on Medicaid. The basics of the Partnership Program will change so all states abide by the same program instead of states having their own version of the Partnership Program. A key part of this proposal is that all states will be required to participate in the Partnership Program. States that are currently participating will be required to meet the new standard of the program, being identical (uniform) in all states.

Fundamentals of the Partnership Program for all States within the U.S.

The ultimate initiative of this section of the proposal is to expand the Partnership Program by congressional action and create an effective relationship between long-term care insurance companies and states' Medicaid programs. Applicable to all states within the U.S. under the Partnership Program, an individual in need of long-term care services will buy an insurance policy. The individual obtaining the insurance policy will exhaust the benefits under the

³² "LONG TERM CARE PARTNERSHIP PROGRAM." American Health Care Association, n.d. https://www.ahcancal.org/facility_operations/medicaid/Documents/LTCIPP/AHCA_LTC_Partnership_Program_Fact_Sheet.pdf.

policy for long-term care and then can apply for Medicaid without spending down or using one's own money.³³ In other words, as noted by Insurance Information Institute, each dollar paid by the insurance company is a dollar of assets an individual can keep in addition to the minimums permitted by the state's Medicaid rules.³³ For example, if the long-term care policy pays \$20,000 in benefits, then the individual can keep \$20,000 in investments or savings to qualify for Medicaid.³³ Without this program, the individual would need to spend down \$20,000 in order to qualify for Medicaid. Therefore, the Partnership Program will offer individuals an opportunity to buy insurance to cover long-term care without having to spend all of their money on long-term care costs and abiding to Medicaid standards. The exact amount that is protected is based on the amount a person's insurance policy has paid out for long-term care.³³ Furthermore, an amount equal to that paid out by one's long-term care policy is protected from Medicaid's asset limit.³³

Currently, since not all states participate in the Partnership Program, if someone was to obtain long-term care insurance benefits via the Partnership Program in one state and then they decide to relocate, if the other state does not participate in the Partnership Program, then the individual might lose benefits.³⁴ However, with this proposal, this particular scenario would be eliminated since the amendments to the DRA will require all states to participate in the Partnership Program. Each U.S. state must be actively involved in the Partnership Program. All criteria below apply to all states in the same manner. Some of the current criteria for the Partnership Program that will remain the same and required by all states include³⁴

- Individual must purchase a long-term care insurance plan that is approved by the state
- The Partnership Policy must include inflation protection.

(Benefits must keep at pace with rising costs of care)

³³ "What Are 'Partnership for Long-Term Care' Programs?" III. Accessed March 17, 2020. <https://www.iii.org/article/what-are-partnership-long-term-care-programs>.

³⁴ How Purchasing Long Term Care Insurance Can Help Medicaid Beneficiaries Protect Their Homes & Assets." Medicaid Planning Assistance. Accessed March 17, 2020. <https://www.medicaidplanningassistance.org/partnerships-for-long-term-care/>.

- Long-term care insurance from the Partnership Program will not be affected if person changes location of residence
- Interchangeable benefits will be included meaning insurance benefits can be switched between nursing home care and home care, or a combination
- Waiver of premiums will be applied while one is receiving benefits in a nursing home or in-home care
 - Guaranteed renewability
 - “Good Health” qualification will be removed. Anyone in any state of health will be eligible to apply for long-term care insurance via the Partnership Program.

In addition to the criteria above, as a current factor in the Partnership Program, all states must deliver that in determining eligibility for Medicaid, the amount equal to the benefits paid under a qualified long-term care policy is disregarded.³⁵ Below in figure 5 is an example of the costs of out of pocket for long-term care and the costs an individual would pay as a premium per year, month, and day with long-term care insurance.³⁵ As one can see, the long-term care insurance provides substantial savings.

Which Way Do You Plan To Pay?		
	Out of Pocket¹	LTCi Premium²
Each Year	\$84,000	\$2,000
Each Month	\$7,000	\$180
Each Day	\$233	\$6

¹depends on cost of care ²depends on age, health, benefits

Figure 5 Source: Partnership for Long-Term Care

³⁵ About long term care and Partnership LTC insurance. Accessed March 31, 2020.
<https://www.partnershipforlongtermcare.com/ltcinsurance.html>.

Additionally, all Medicaid regulations per each state will continue to take place. Nevertheless, the insurance will provide protection of money and supplementary assets if any form of long-term care is needed. As noted previously, congressional action will need to take place to amend the Deficit Reduction Act to require all states to have the Partnership Program. The timeline for doing this will be to submit the amendments by the end of 2020. If amendments take place, states that are not currently participating in the Partnership Program will need to start actively participating and states that are participating will need to adjust current criteria with the new national criteria mentioned above.

New Legislation – Employer Based Long-Term Care Insurance

Recently, the Washington state legislature passed the Long-Term Care Trust Act. Under Washington's Long-Term Care Trust Act, a new employee-financed program is created to provide payment or partial payment for long-term services to qualified individuals who have paid into the program and need assistance.³⁶ The proposal will include new legislation that will create an option similar to that in Washington, an employer-financed long-term care insurance. This option will be beneficial for those who will like to plan in advance for long-term care insurance and do not need the immediate protection the Partnership Program provides. The legislation will allow employers to run this program in part by offering the employee an option to designate a portion of their wage toward a premium for long-term care insurance. The employee can select which state approved long-term care insurance they prefer and how much long-term care costs will be covered based on the selected policy. Similar to an employer sponsored health insurance plan, the long-term care insurance will be offered by the employer and employees can opt in if they request coverage. The insurance options will be the same as the Partnership Program. However, unlike the Partnership Program, one is not paying the dollar amount of asset protection

³⁶ "Ask MRSC." MRSC. Accessed March 17, 2020. <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/September-2019/Long-Term-Care-Trust-Act-Brings-Services.aspx>.

they will need to qualify for Medicaid; one is paying a monthly payment towards long-term care insurance that can be beneficial in the future for asset protect – retirement, savings, or money.

The insurance program will be entirely transferable if the employee moves to another employer. The timeframe for implementation will be similar to Washington's, with benefits beginning in 2025 and premiums can be collected starting 2022, to ensure time to setup the employer based long-term care insurance program and new legislation.³⁶ Unlike Washington, the objective of this legislation and option is to provide individuals with another form of long-term care insurance aside from the Partnership Program. More so, this legislation will allow employers to work with employees to connect them with long-term care insurance companies. Washington's program is state operated and will pay lifetime benefits of up to \$36,500 for service.³⁷ The new legislation will offer benefits and policies that will exceed Washington's program amount and will be dependent on the individual's selection.

The new legislation will not be solely state operated, and the benefited amount will be selected by the individual per policy options available. The distinction between the employer financed long-term care insurance and the Partnership Program is the purpose of the period by which an individual opts-in. Further, if someone is seeking to plan for the future and would like to pay for long-term care coverage so they can slowly work their way up to a certain amount of asset protect, then the employer financed would be a beneficial option. Alternatively, if seniors or other individuals need asset and spend down protection, then the Partnership Program is the viable solution to management Medicaid regulations and not solely depend on Medicaid.

Policy Authorization Tool & Policy Implementation Tool

The authorization tool will be legislation; both the amendments to the DRA and proposal of the new legislation will be completed and offered by Congress starting at the end of 2020. Once introduced by Congress, it will need to pass by both the House of Representatives and

³⁷ "Long-Term Care Costs Are Prohibitively Expensive. States Are Taking Notice." Governing. Accessed March 31, 2020. <https://www.governing.com/topics/health-human-services/sl-long-term-care-insurance.html>.

Senate, and then approved by the president for the amendments to be effective and for the new law to be implemented federally. The legislation will be utilized as opposed to an executive order because the proposal's purpose is to help with the current state of long-term care within the United States and the future of long-term care. Therefore, an executive order would only be a temporary solution. The new legislation will provide a concrete long-term solution if passed by both necessary branches of government. Additionally, the DRA is currently an enacted piece of legislation, to formally make amendments and modify it, this must take congressional action and not a short-term executive order.

The policy implementation tool will be a result of federal legislation. Since various amendments will be occurring within the DRA, if passed by Congress and the President, these will take effect immediately, including uniform Partnership Program and new employer financed long-term care insurance. Further, the implementation tool will take effect when individuals seek long-term care insurance from the Partnership Program and the individuals will be covered by long-term care insurance from both proposals to prevent the exhaustion of assets and forced to pay excessive costs for care.

Policy Analysis

The proposal of expanding the Partnership Program by amending the Deficit Reduction Act and creating new legislation to offer an employer based long-term care insurance option contains various benefits and consequences. The objective of both parts of the proposal is to protect individuals from the high out of pocket costs of long-term care and manage Medicaid's requirements for coverage. One must take note that both parts of the proposal require successful Congressional action via amendments and new legislation.

Studies

The Health Policy Journal conducted a study on the impact of long-term care insurance for middle-income countries, comparing South Korea with Japan and Germany.³⁹ The three countries compared for the study utilized insurance systems to finance long-term care. The objective of the study was to examine if designing a finance system for long-term care by insurance would be beneficial. The study demonstrated, as shown in figure 6, that many countries have an increasing population of 65 above of the total population and the need for long-term care coverage is increasing as well.³⁸

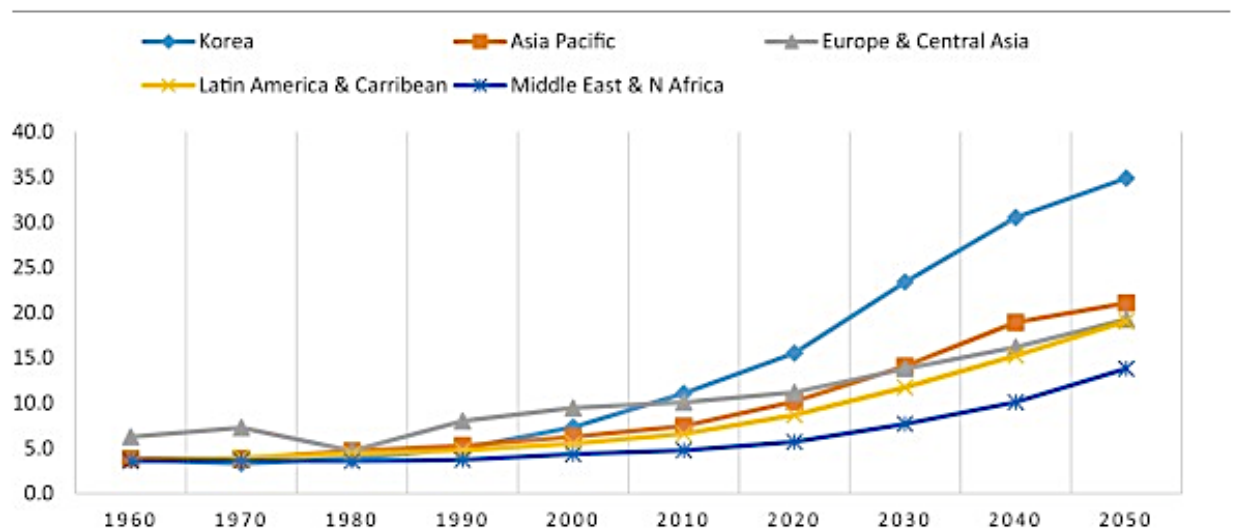


Figure 6 Source: ScienceDirect - Health Policy

Korea, for example, implemented an insurance framework as social insurance became more viable for future years. Further, the conclusion of this study determined that long-term care insurance created a high level of public satisfaction with modest benefits, and insurance can boost economic growth by freeing up informal caregivers for labor market participation and promoting social cohesion.³⁸ More so, insurance that covers long-term care can encourage formal care as

³⁸ Rhee, Jong Chul, Nicolae Done, and Gerard F. Anderson. "Considering Long-Term Care Insurance for Middle-Income Countries: Comparing South Korea with Japan and Germany." *Health Policy* 119, no. 10 (2015): 1319–29. <https://doi.org/10.1016/j.healthpol.2015.06.001>.

opposed to informal care, which can increase labor participation. Allowing individuals to maintain their independence and afford quality care while also reducing the financial and psychological stress that a long-term care event can impose.³⁹

Another study further focused on Japan as an example of a country that developed a long-term care insurance program to cover home-based and institution care for those 65 or older that require it. The long-term care program is financed by insurance premiums and tax revenue. Half of the funding comes from premiums paid by people over 40 years of age and the other half of the funding comes from taxes.⁴⁰ The study addressed assorted effects of long-term care insurance on family caregivers (individuals caring for someone) and the broader population. The first effect of attitudes towards family caregivers suggested that long-term care insurance changed the attitude of caregivers and increased caregivers believe that society must be involved in the care of older people after the implementation of long-term care insurance.⁴⁰ The second effect of the study suggested that care services provided under the long-term care insurance have been successful in reducing the burden among family caregivers and the evidence was found in a real community setting.⁴⁰

A third study further focused on Germany as they developed a pay-as-you-go system and was financed by income-related contributions, equally split between employees and employers.⁴¹ The social insurance program provides home care and nursing home care for people with a medically approved need without regard to age or financial status.⁴¹ The data was collected by the German Socio Economic Panel Study and provided results that illustrated that the perception of financial security in the case of long-term care needs increased in all populations after introducing

³⁹ Anspach, Dana. "Pros and Cons of Long-Term Care Insurance." The Balance. The Balance, January 29, 2020. <https://www.thebalance.com/pros-and-cons-of-long-term-care-insurance-2388725>.

⁴⁰ ARAI, Y. and ZARIT, S.H. (2011), Exploring strategies to alleviate caregiver burden: Effects of the National Long-Term Care insurance scheme in Japan. *Psychogeriatrics*, 11: 183-189. doi:10.1111/j.1479-8301.2011.00367.x

⁴¹ Zuchandke, A., Reddemann, S., Krummacker, S. et al. Impact of the Introduction of the Social Long-Term Care Insurance in Germany on Financial Security Assessment in Case of Long-Term Care Need. *Geneva Pap Risk Insur Issues Pract* 35, 626–643 (2010). <https://doi.org/10.1057/gpp.2010.26>

long-term care insurance.⁴¹ More so, experience with long-term care had a positive influence on the perception of financial security with the introduction of compulsory insurance.⁴¹ Hence, this study further demonstrates that insurance, particularly in Germany, added a sense of financial security when dealing with long-term care in the long tenure.

In conclusion, findings of the study suggested that the implementation of long-term care insurance contains effective measures for reducing and preventing caregiver burden at a societal level and long-term care insurance can help people meet caregiver responsibilities.⁴⁰ Therefore, long-term care insurance in other countries has been proven to be beneficial from a caregiver standpoint and in the reduction of financial stress. Similarly, the long-term care insurance programs can be beneficial to Medicaid savings of long-term care costs.

Medicaid Savings

Similar to the Long-Term Care Trust Act passed by Washington legislature, if a new law is enacted that will provide insurance to cover long-term care, this will save taxpayers billions in Medicaid costs by 2052 according to the Washington Association of Area Agencies on Aging. Figure 7 demonstrates the projections and an example of how much will be saved after Washington's state law was enacted.⁴² By the year 2052, there will be a substantial increase in savings for Medicaid costs and for the individual requesting services.

Taxpayers save \$3.9 billion in Medicaid costs by 2052

2025	2041	2052	Total savings by 2052
\$34 million saved/year	\$113 million saved/year	\$470 million saved/year	\$3.9 billion savings

Figure 7 Source: Aging Washington

⁴² "LONG-TERM CARE TRUST ACT." Agingwashington, 2019. <https://www.agingwashington.org/files/2019/02/2019-Long-Term-Care-Trust-Act-Factsheet.pdf>.

Additionally, as noted by the United States Senate Special Committee on Aging, particularly Senator Charles Grassley, there are two vital benefits why Americans need long-term care insurance. The first being that it prevents impoverishment due to Medicaid eligibility and helps families cover costs to preserve assets.⁴³ Secondly, long-term care insurance can help reserve the quality of life by covering supplementary care.⁴³ Thus, an added benefit of the proposal of long-term care insurance is the protection of impoverishment and the option to cover supplementary care so one does not have to necessarily enter a nursing facility. The Partnership Program includes interchangeable benefits and the employer finance long-term care insurance option as well.

According to the Center for Health Care Strategies, Inc, the cost-effectiveness of the long-term care Partnership Program is complex and would create anticipated market changes.⁴⁴ The National Program Office for the Robert Wood Johnson Foundation's Initiative utilized the Brookings and Intermediate Care Facility long-term care financing model to simulate the effects of the dollar-for-dollar asset protection on Medicaid spending.⁴⁴ The results of the stimulation suggested that a "70% point drop in Medicaid's share of total long-term care spending by the period 2016-2020."⁴⁴ While the proposal will require the Partnership Program to be implemented nationally, these results were for the states that already participated in the Partnership Program. Likewise, the U.S. Department of Health and Human Services added that the Partnership would provide an opportunity for savings for the reasons below.⁴⁴ As shown in figure 8, a strong suit of the proposal is the asset protection and consumers having the opportunity to ensure certain financial assets.

⁴³ Long-Term Care Insurance: Protecting Consumers From Hidden Rate Hikes : Hearing before the Special Committee On Aging, United States Senate, One Hundred Sixth Congress, Second Session, Washington, DC, September 13, 2000. Washington: U.S. G.P.O., 2000.

⁴⁴ Meiners, Mark. "Long-Term Care Insurance Partnership: Considerations for Cost-Effectiveness." Center for Health Care Strategies, Inc., March 2009.

- Consumers would have a more appealing alternative to transferring assets;
- Care management assistance and preferred provider choices could control use and cost by helping consumers stretch and conserve their insurance dollars;
- Earned income on protected assets would be applied to the cost of care; and
- Predicting the amount of resources consumers will have in the future when they need long-term care is hard and consumers may over insure their assets with increased certainty of protecting at least some of them.

Figure 8 Source: Center for Health Care Strategies

Consequences

A weak aspect of the proposal is that Medicaid savings are not likely. While the proposal is aimed to protect consumers needing long-term care, the use of long-term care insurance does not guarantee Medicaid savings. The General Accountability Office (GAO) conducted a study to examine the currently active Partnership Programs within participating states, including California, Connecticut, Indiana, and New York.⁴⁵ The data from the GAO showed that Medicaid savings were not likely and long-term care insurance policyholders are more likely to have higher incomes and more assets than people with the insurance.⁴⁵ Further, the study indicated that 80% of Partnership policyholders would have purchased traditional long-term care insurance policy, which may increase Medicaid spending, and scenarios within the study suggest that an individual

⁴⁵ Government Accountability Office, Long-Term Care Insurance: Partnership Programs Include Benefits That Protect Policyholders and Are Unlikely to Result in Medicaid Savings, Report # GAO-07-231, May 2007.

could self-finance care and delay Medicaid eligibility for about the same amount of time as they would with the Partnership policy.⁴⁵

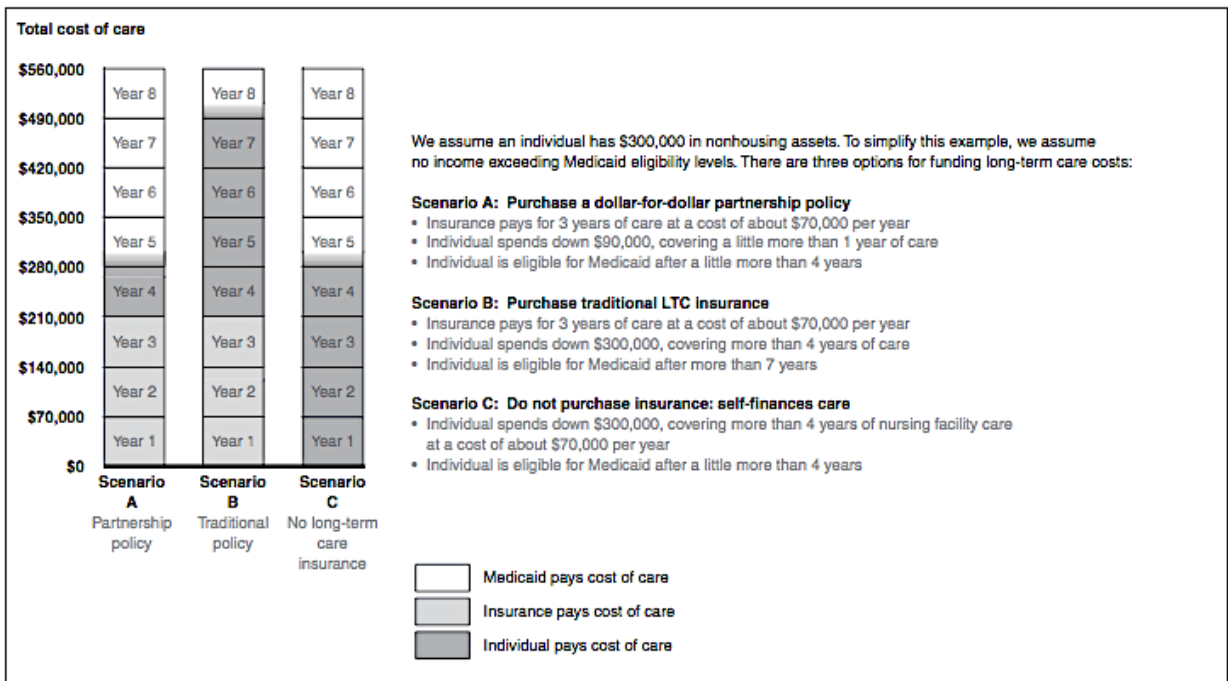


Figure 9 Source: General Accounting Office

Additionally, the GAO tested the financing of long-term care in nursing under three scenarios being Partnership Program, traditional LTC insurance, and no insurance.⁴⁵ Figure 9 shows the three distinct scenarios. The GAO concluded that in the scenarios where the individual owns insurance of some form, Medicaid begins paying for the individual's long-term care at about the same time, the difference being whether long-term care costs prior to Medicaid eligible are paid by long-term care insurance or by the individual.⁴⁵ Additionally, as one can see from the graph, when comparing scenario A and C, Medicaid is paying cost of care for around the same period of time and the consumer is still either paying for insurance or out of pocket costs. In scenario B, the traditional policy, one can see that Medicaid is paying less. However, the consumer is paying a majority out of pocket costs for care. Therefore, the scenarios and studies conducted and depicted by the GAO bring to light that the Partnership Program or another form

of long-term care insurance might not be entirely effective in solving the overall issue. Hence, declining to save Medicaid money or the consumer from paying out of pocket costs.

Another problem with the insurance proposals include the exhaustion of insurance benefits. Once the individual utilizes the insurance policy to its upmost capabilities, they will either need to start paying out of pocket for care or apply for Medicaid. However, this bring back the issue spending down if necessary and reliance on Medicaid's strict regulations. The Partnership Program is more beneficial to consumers that are at the lower end of the self-insurance continuum to buy insurance so they are better able to deal with the risk of long-term care expenses that exceed their ability to self-insure.⁴⁴ In other words, middle-class individuals or others in the higher end of the insurance continuum might easily exhaust policy benefits and end up paying out of pocket costs regardless. Therefore, the whole idea of insurance might not be sustainable for the time needed to cover assets before spending down is necessary. Further, the GAO reports that middle class individuals are the "middle-middle" market (MM Market).⁴⁵ The MM Market with a high amount of assets are unlikely to use the dollar-for-dollar asset protection and the asset protection insurance would be more valuable to MM groups with fewer resources.⁴⁵

While there is the consequence that long-term care insurance is not sustainable or does not complete its sole purpose, the U.S. Department of Health and Human Services (HHS) reports added concerns in a research brief. The HHS reports there are currently certain barriers in the way to expand private long-term care insurance including ⁴⁶

- Distrust of Private Insurers
- Lack of Awareness of Potential Long-Term Care Risk
- Medicaid's Role

According to HHS, since 2002, there has been an increase in distrust of private insurance due to media and inappropriate claims made.⁴⁶ More so, HHS reports that Medicaid "is an imperfect

⁴⁶ "Long-Term Care Insurance Research Brief." ASPE, April 4, 2017. <https://aspe.hhs.gov/basic-report/long-term-care-insurance-research-brief>.

substitute for LTCI because income eligibility standards are very low and some long-term care providers do not accept Medicaid. ”⁴⁶ Therefore, bringing to light the argument that Medicaid reduces demand for long-term care insurance due to the spending down and transferring of assets. Additional consequences extend from a policy perspective based on a Congressional Research Service (CRS) report for Congress. The report suggests that restructuring of long-term care insurance may impact the stability of long-term care products.⁴⁷ For example, insurance premiums can become costly, or over the year’s insurers have applied stricter underwriting practices. Consequently, there is also the issue of regulation which CRS empathized in figure 10.⁴⁷

The Market for LTC Insurance: Regulation and Quality.

- Federal regulation of LTC insurance is limited to the HIPAA provisions concerning the tax treatment of qualified LTC insurance policies; California, Connecticut and New York require that all partnership policies meet these HIPAA requirements; Indiana provides consumers the option to purchase either a tax-qualified or non-qualified partnership policy.
- Significant variation exists in the regulation of LTC insurance across states.
- Many states have limited abilities to monitor problems and trends in the marketplace.
- Although many insurers strongly oppose stricter federal requirements on *all* LTC insurance products, some support the adoption of standardized requirements for partnership policies at the national level.

Figure 10 Source: Congressional Research Service

A substantial amount of the Partnership Program and employer financed long-term care insurance require federal regulation. As noted from the CRS report to Congress, federal regulation and oversight can be limited due to HIPAA regulations and this can be impactful for the expansion of the overall Partnership Program. While a national level of the Partnership Program and long-term care insurance is prosed, stricter federal requirement could pose a problem within states and

⁴⁷ Stone-Axelrad, Julie. “Medicaid’s Long-Term Care Insurance Partnership Program.” CRS Report for Congress. CRS Web , January 2005.

existing long-term care products. These consequences could be enough for the proposal to not be entirely effective or for the amendment and new law not to pass in Congress.

Political Analysis

The primary political stakeholder in the policy proposal is Congress. The main policy implementation tool of this proposal will be congressional action via amendments to the DRA and the enactment of a new law. The inevitable truth is that neither the amendments nor a new law is guaranteed to pass both chambers of Congress or, if it does, successfully obtain the president's signature. The policy implementation tool in this sense can be a huge drawback since amending legislation and enacting legislation is both a long and complex process. By the time the amendments or new law makes its way through both chambers, it might be entirely different from the original proposal. Therefore, policy-wise it might not pass or even become a new law.

However, both political parties, Congress, and the public have discrete views on the overall spectrum of long-term care.

Views on Long-Term Care

The public views on long-term care are diverse and provide a general view on America's opinion on long-term care. Results from a poll conducted in 2017 demonstrated that two-thirds of Americans age 40 and older feel the country is not prepared for the older population.⁴⁸ Further, 70% of older Americans support a government-administered long-term care insurance program, as presented in figure 11.⁴⁸ More specifically, 65% favor a government-administrated long-term care insurance program that would cover people who require care for more than five years.⁴⁸

⁴⁸ Malato, Daniel. "Long-Term Care in America: Views on Who Should Bear the..." The Long-Term Care Poll, April 16, 2018. <https://www.longtermcarepoll.org/long-term-care-in-america-views-on-who-should-bear-the-responsibilities-and-costs-of-care/>.

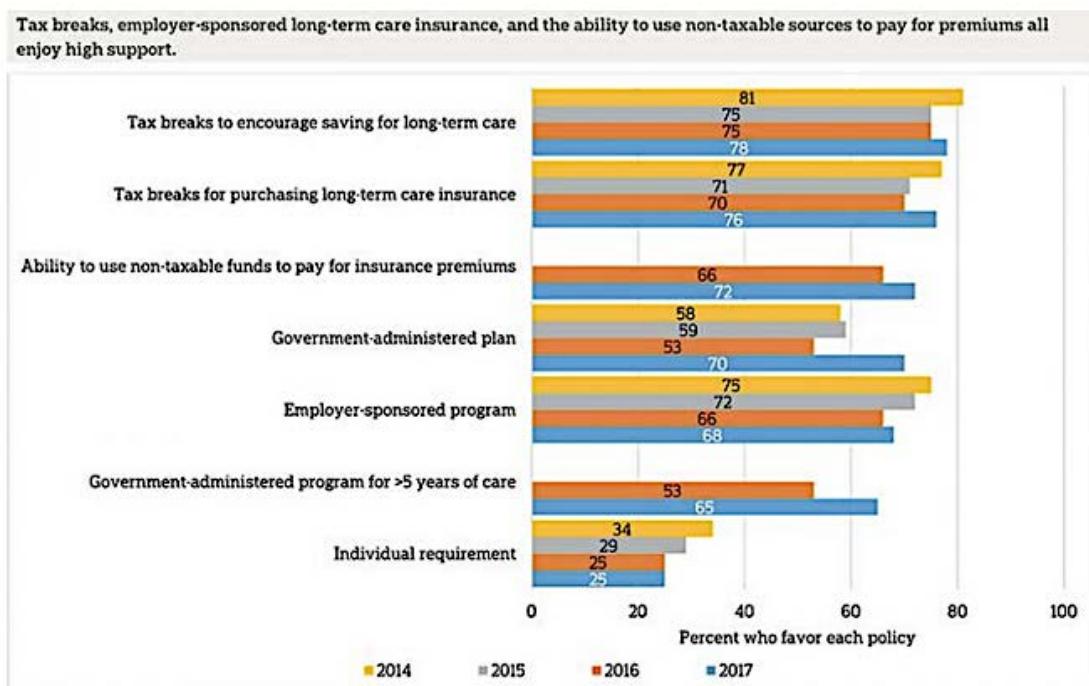


Figure 11 Source: AP- NORC

The general public feels that long-term care, specifically care that will be needed for a number of years, should be administered by a government insurance program, similar to the ones proposed in this policy proposal. From a congressional standpoint, 83% of Democrats favor a government-administrated program for long-term care insurance compared to 69% of independents and 54% of Republicans.⁴⁸ Likewise, 78% of Democrats support a government-administered program to specifically cover people who require care for more than five years versus 57% of independents and 54% of Republicans.⁴⁸ The support is low across both Republicans and Independents for an individual requirement to purchase long-term care insurance, but more Democrats (33%) favor this policy than Republicans (17%).⁴⁸

The general public including individuals that are of age 40 or older think Medicare should be primarily responsible for paying the costs of long-term care, with health insurance companies picking up at least part of what Medicare doesn't pay, as shown in figure 12.⁴⁸ As shown, Medicare and insurance companies have the highest percentage of votes, meaning most

people believe they should be responsible for long-term care rather than individuals, Medicaid, or families. Currently, Medicare does not cover long-term care costs and most costs are covered out of pocket or Medicaid paid. Therefore, the public generally supports Medicare or health insurance coverage for long-term care, while congressional support varies based on the political party.

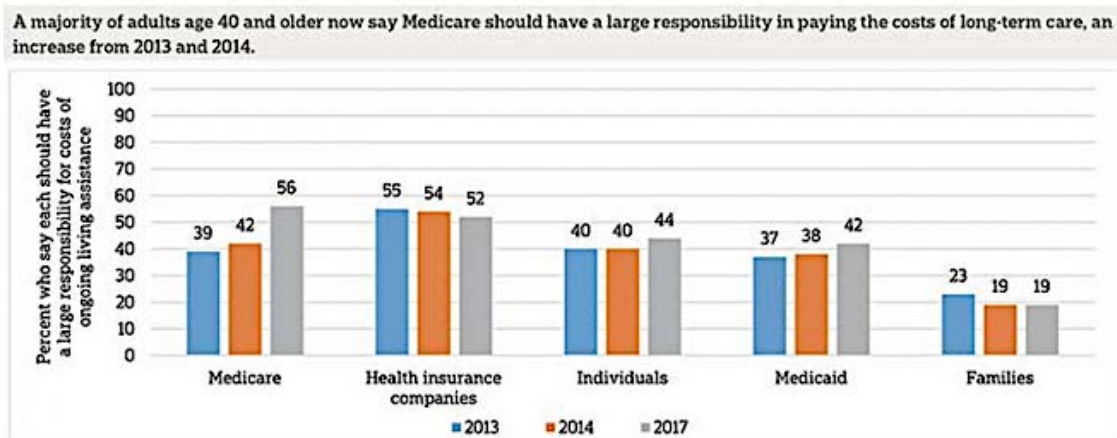


Figure 12 Source: AP- NORC

To further breakdown the public's views on long-term care, the support for long-term care can vary by age. According to Data for Progress, support for long-term care for seniors is higher among the elderly than it is among younger voters, as illustrated in figure 13.⁴⁹ The graph shows that those in the Boomer generation show more support overall for long-term care for seniors. On the other hand, the younger generations, including Millennial and Generation X, show more support for long-term care for people with disabilities and less for seniors in general compared to the older generations. Thus, bringing to light that there is a vast difference in the views on long-term care from a generational standpoint and not solely political or the burden of long-term care costs. Lastly, AP conducted a survey requesting more detailed views on long-term care from young adults. According to the poll, 22% of young adults think it's very likely they'll

⁴⁹ Huq, Yameen. "Long Term Care for All Is a Political Winner." Data For Progress. Data For Progress, November 28, 2019. <https://www.dataforprogress.org/blog/2019/11/28/long-term-is-a-political-winner>.

need long-term care services someday.⁵⁰ Additionally, the survey found that young adults have little confidence that government safety-net programs will be there for them as they get older and they are not certain about their own financial situation for the future.

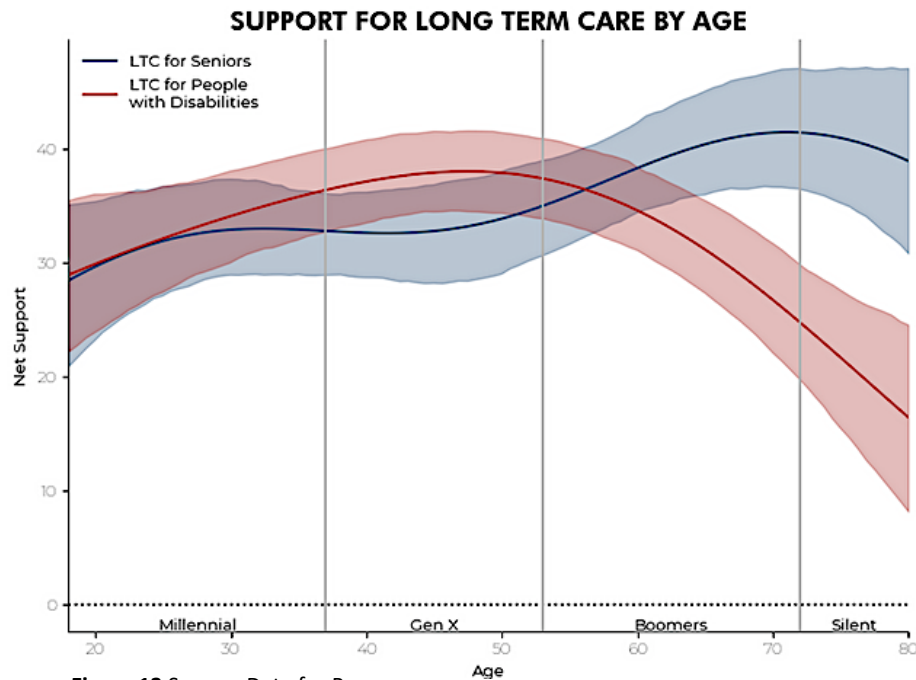


Figure 13 Source: Data for Progress

Congressional Standpoint & Obamacare (Affordable Care Act)

Congress is one of the far-reaching key stakeholders for this policy proposal, aside from the general public. According to the National Health Policy Forum in 2012, Congress created a Commission on Long-Term Care that was in charge with developing a plan for “the establishment, implementation, and financing of a comprehensive, coordinated, and high-quality system that ensures the availability of long-term services and supports for individuals who need such services.”⁵¹ The commission issued a report in 2013 identifying key recommendations to improve long-term care services and support. Nevertheless, the recommendations were not

⁵⁰ Swanson, Emily. “AP-NORC Poll: Young Adults Feel Stress of Long-Term Care.” AP NEWS. Associated Press, May 15, 2018. <https://apnews.com/f2c535349b5b4c1db76c0c51a63cae42>.

⁵¹ “THE BASICS: The Commission on Long-Term Care: Background Behind the Mission.” National Health Policy Forum, October 2013. http://www.nhpf.org/library/the-basics/Basics_CommissionLTC_10-17-13.pdf.

implemented, and throughout the years, policymakers have taken limited actions regarding the financing of care. The limited policy action implies that long-term care financing is not their primary objective, which can make it difficult to pass amendments or enact new legislation for long-term care programs.

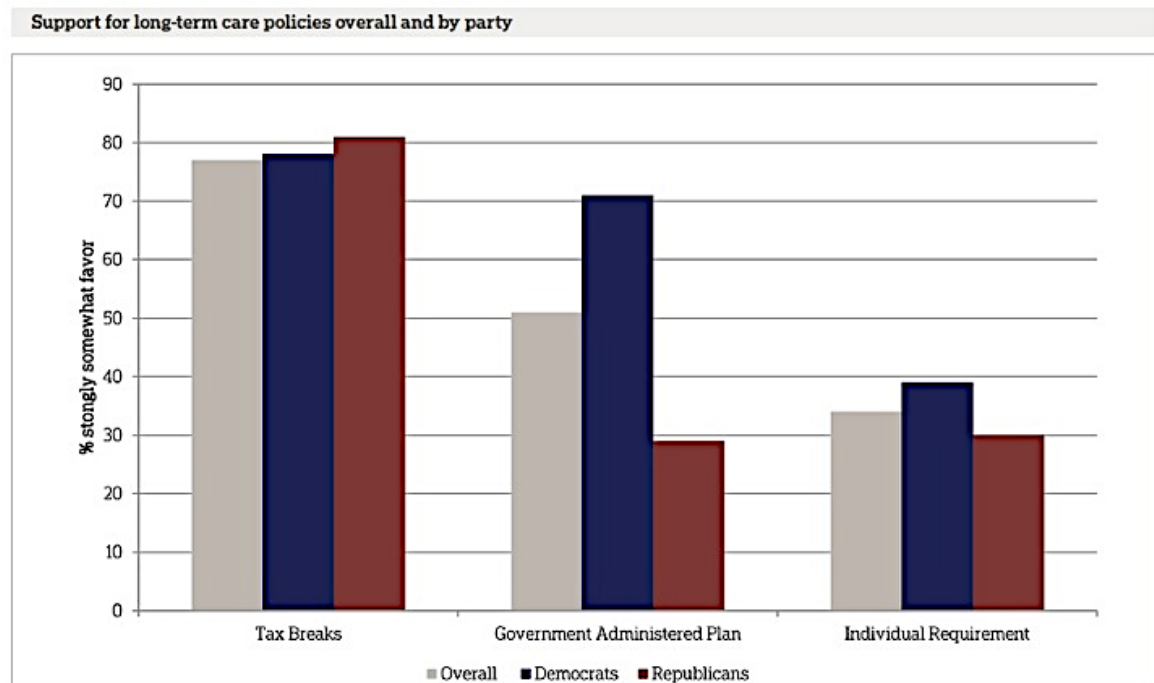


Figure 14 Source: PBS

The National Health Policy Forum further indicates that a number of factors concern federal and state policymakers. Including the personal financial liability some people needing long-term care face, public spending by the Medicaid program, and the predicted increase in demand for services as a result of population aging.⁵¹ Moreover, currently, the United States Senate is a Republican majority and the Republican and Democratic platforms on health care vary significantly. In figure 14, it is shown that Democrats, Republicans, and Independents all have widely different views pertaining to policy options for long-term care.⁵² As depicted in the chart

⁵² Kane, Jason. "Americans Seriously Unprepared for Long-Term Care, Survey Finds." PBS. Public Broadcasting Service, April 24, 2013. <https://www.pbs.org/newshour/health/as-boomers-age-most-woefully-unprepared-for-long-term-care>.

(figure 14), tax breaks have the greatest amount of support from all three political parties.

However, a government-administered plan, like the one from this proposal, is not the top priority for either party. Nevertheless, when it comes to a government-administered plan option, Democrats are more likely to support it than Republicans. From these statics, it's evident that these two parties have substantially different approaches pertaining to long-term care approaches, which can make it difficult to enact any form of new legislation or amendments in a bipartisan manner.

The Senate and House committees have proposed legislation and held hearings to address the issue of long-term care. According to the Women's Congressional Policy Institute, the Senate Special Aging Committee held a hearing on the Long-Term Care Partnership Program Act (S.2077) in 2004.⁵³ The bill S.2077 would allow states to enter into partnerships with private long-term care insurance providers. Under this bill, individuals can purchase long-term care insurance without requiring them to spend down assets. During the hearing, the sponsor of the bill, Senator Larry Craig, suggested that long-term care policy programs would allow a person to feel their savings are secure.⁵³ Additionally, Michael O'Grady, Assistant Secretary for Planning and Evaluation (ASPE) at the U.S. Department of Health and Human Services (HHS), indicated that Medicaid's spending will increase by 2025 and so will the need for long-term care.⁵³ Further, Michael O'Grady added that partnership policies would expand long-term care insurance and allow seniors to not deplete their savings and control how they obtain long-term care services.⁵³ A multitude of exchanges were made during this hearing; however, S.2077 has stayed in a introduced state and the last action taken on the legislation was in 2004 when it was read twice and referred to the Committee on Finance.⁵⁴

⁵³ "Long-Term Care Insurance Focus of Senate Committee Hearing." Women's Congressional Policy Institute. Accessed April 2020. <https://www.wcpinst.org/source/long-term-care-insurance-focus-of-senate-committee-hearing/>.

⁵⁴ Craig, and Larry E. "S.2077 - 108th Congress (2003-2004): Long-Term Care Insurance Partnership Program Act of 2004." Congress.gov, February 12, 2004. [https://www.congress.gov/bill/108th-congress/senate-bill/2077?q={\"search\":\[\"actionDate:\">27\\\"+AND+\(billsReserved:\\\"N\\\"+or+type:\\\"AMENDMENT\\\"\)\"\]}&s=1&r=9.](https://www.congress.gov/bill/108th-congress/senate-bill/2077?q={\)

On the other hand, the Senate Finance Committee Subcommittee on Health held a hearing more recently to discuss care for those with long-term debilitating conditions. The hearing was called by committee Chair Senator Patrick J. Toomey and Senator Debbie Stabenow. During the hearing, Senator Toomey proposed a bill that would amend the federal tax code to permit people to tap into their 401(k) and individual retirement accounts to pay long-term care policy premiums.⁵⁵ Senator Toomey added that the “average American approaching retirement is not at all likely to have nearly enough cash savings to cover the average cost of a typical long-term care event such as the need for nursing home care or in-home care.”⁵⁵ Currently, the bill is being circulated in draft form and is subject to change before being introduced to Congress. Additionally, during the hearing Senator Bob Casey commented that long-term care insurance is out of reach for most middle-income households.⁵⁶ Nevertheless, the bill is in its early stages and yet to be introduced or referred to a committee.

Similarly, other Senators have introduced legislation to improve financing on long-term care, but the bills have remained in an introduced state. Senator Chuck Grassley introduced a bipartisan legislation to help make long-term care more affordable.⁵⁷ According to Senator Grassley, “This legislation would expand access to health care services, create a system that promotes home-and community-based care, empower more individuals to fully participate in community life, and create incentives to help people afford the lifestyle they’ve worked so hard to achieve long into retirement.”⁵³ The bill was introduced; however, it never became law and only

⁵⁵ Bowers, Lois A., Lois A. Bowers, Lois, and Lois A. Bowers. “Bill Would Let People Tap Retirement Accounts for Long-Term Care Insurance - News.” McKnight's Senior Living, December 4, 2019. <https://www.mcknightsseniorkiving.com/home/news/bill-would-let-people-tap-retirement-accounts-for-long-term-care-insurance/>.

⁵⁶ “Senate Finance Committee, Subcommittee on Health Hearing: Alzheimer's Awareness: Barriers to Diagnosis, Treatment, and Care Coordination.” Senate Finance Committee, Subcommittee on Health Hearing: Alzheimer's Awareness: Barriers to Diagnosis, Treatment, and Care Coordination. Accessed April 2020. <https://www.leadingage.org/legislation/senate-finance-committee-subcommittee-health-hearing-alzheimer's-awareness-barriers>.

⁵⁷ “Grassley Works to Improve Long-Term Care Options for Elderly, Disabled: The United States Senate Committee on Finance.” United States Senate Committee On Finance, July 29, 2005. <https://www.finance.senate.gov/chairmans-news/grassley-works-to-improve-long-term-care-options-for-elderly-disabled>.

had two cosponsors. Numerous long-term care bills have been introduced but were not successfully enacted. For example, the Long-Term Care & Retirement Security Act of 2008 and the Long-Term Care Quality & Modernization Act were introduced but not enacted.⁵⁸ Hence, despite this particular policy proposal providing promising benefits to ensure a long-term care solution, amendments and new legislation are difficult to pass in Congress and become fully enacted, which can be a downfall for any congressional policy proposal. On a state level, there have been mixed signals pertaining to long-term care. In 2018, Maine voters rejected a referendum that would provide in-home care to all regardless of income, while Washington recently passed legislation offset long-term care costs.⁵⁹ While in Congress, aside from the numerous legislation not passed, another bill known as H.R.1384 included mentions of long-term care and nursing home pay, this bill has only been introduced. Consequently, from a legislation standpoint there has not been much progress towards legislation to modify or enhance the current long-term care situation.

Moreover, the House Democratic Leadership has been slowly unveiling plans and solutions for long-term care. In early 2019, House Democrats revealed a plan that would offer all Americans a government insurance option that provides coverage for long-term care at no cost.⁶⁰ These effort was backed by more than 100 members of Congress and has 106 cosponsors.⁶⁰ However, according to the Washington Post, similar proposals like this have been made and are projected to increase federal spending by \$30 trillion.⁶¹ Despite the number of supporters, the

⁵⁸ "Legislative Search Results." Congress.gov. Accessed April 2020.

[https://www.congress.gov/search?searchResultViewType=expanded&q={\"source\":\"legislation\",\"search\":\"\\\"long+term+care\\\"\",\"congress\":110}](https://www.congress.gov/search?searchResultViewType=expanded&q={\).

⁵⁹ Associated Press. "Sanders' 'Medicare for All' Expands Long-Term Care Benefits." Modern Healthcare, March 11, 2019. <https://www.modernhealthcare.com/politics-policy/sanders-medicare-all-expands-long-term-care-benefits>.

⁶⁰ Stempniak, Marty. "Universal Long-Term Care Coverage Included in House Democrats' New Medicare-for-All Plan - News." McKnight's Long Term Care News, February 28, 2019. <https://www.mcknights.com/news/universal-long-term-care-coverage-included-in-house-democrats-new-medicare-for-all-plan/>.

⁶¹ Stein, Jeff. "More than 100 House Democrats to Unveil 'Battle-Ready' Medicare-for-All Plan as 2020 Election Looms." The Washington Post. WP Company, February 26, 2019. <https://www.washingtonpost.com/us-policy/2019/02/26/more-than-house-democrats-back-medicare-all-plan-presidential-candidates-spar-over-health-care/?noredirect=on>.

Washington Post reports that the passing of this bill is low due a Republican-controlled Senate.⁶⁰ Additionally, health policy critics and conservatives note that this plan would require new taxes and that a single-payer system could impede quality of care for those who need it, for example longer wait times for doctor visits.⁶¹ As noted, a significant amount of House Democrats believe in a universal health care system that would cover the costs most of long-term care. Still, Republicans and other health policy experts claim that a transition like this might disrupt the health markets and lead prices to explode in the private market.

An influential piece in Medicaid that covers a majority of long-term care costs is the Affordable Care Act (ACA), commonly known as Obamacare. The ACA has been a topic for both parties of government and widely impactful for long-term care and health care overall. The ACA brought tax policy and health reform together.⁶² The intersection of these two topics created opportunities for Republicans that indicated the ACA would increase taxes on individuals and devastated the entire economy.⁶² According to a press release from the House Ways and Means Committee, it was claimed that the Democrats' health law is a trillion-dollar tax hike that families cannot afford.⁶² While there has been much controversy with the ACA, it has had an added impact on long-term care. Further, in 2010, Congress enacted the Community Living Assistance Services and Supports Act (CLASS) as part of the Patient Protection and Affordable Care Act (added as a new title XXXII of the Public Health Service Act).⁶³ The CLASS Act was repealed as part of the American Taxpayer Relief Act of 2012 signed by the President on January 2, 2013.⁶³ The CLASS Act would have helped consumers cover some long-term care costs; however, federal officials noted that they could not find a form to make it work financially.⁶⁴

⁶² Rawal, Purva H. *The Affordable Care Act: Examining the Facts*. Santa Barbara, California: ABC-CLIO, 2016.

⁶³ "THE BASICSThe Community Living Assistance Services and Supports (CLASS) Act:" National Health Policy Forum, January 2013. https://www.nhpf.org/library/the-basics/Basics_CLASSAct_01-03-12.pdf.

⁶⁴ Appleby, Julie, and Mary Agnes Carey. "CLASS Dismissed: Obama Administration Pulls Plug On Long-Term Care Program." Kaiser Health News, October 14, 2011. <https://khn.org/news/class-act-implementation-halted-by-obama-administration/>.

In addition, during the repeal of the CLASS Act, House Speaker John Boehner indicated that “Republicans are committed to repealing and defunding it, piece by piece if necessary.”⁶⁵ The House vote was 267-159, with 28 Democrats joining all 239 voting Republicans in support.⁶⁵ Under the CLASS Act, monthly premiums would be used to finance benefits of at least \$50 a day for those needing long-term care services.⁶⁵ Further, the administration concluded that the repeal of this legislation was optimal because if it remained enacted it could pose danger and unless a large number of healthy people signed up, premiums would have to soar to unaffordable levels to meet the growing needs of the disabled.⁶⁵ As a result of the repeal, the Commission on Long-Term Care was established. Nevertheless, no financing recommendations were reached.

Similarly to the CLASS ACT, in 1988 the Medicare Catastrophic Coverage Act (MCCA) was enacted to reduce the risk for illness-related financial losses in the elderly.⁶⁶ Less than a year and a half after enactment, Congress repealed the MCCA of 1988 as both Republican and Democratic lawmakers learned that certain Americans did not approve of this particular legislation.⁶⁷ As shown in the graphic below (figure 15), of the total sampled without consideration of income, a substantial amount of elders were satisfied with Medicare before the MCCA.⁶⁷ Unlike the CLASS Act, there was vast opinion of the MACCA. HealthAffairs indicates that before the repeal, some most noted concerns regarding the legislation are shown below.⁶⁷ These concerns ultimately had an influence in the repeal of the legislation and dissatisfaction with the legislation as a whole.

- Opposition to the supplemental premium
- Elderly has to finance the entire benefit package
- Lack of long-term care coverage

⁶⁵ Press, Associated. “House Votes to Repeal CLASS Act.” POLITICO, February 2, 2012. <https://www.politico.com/story/2012/02/house-votes-to-repeal-class-act-072353>.

⁶⁶ Aaronson, W E, J S Zinn, and M D Rosko. “The Success and Repeal of the Medicare Catastrophic Coverage Act: a Paradoxical Lesson for Health Care Reform.” *Journal of health politics, policy and law*. U.S. National Library of Medicine, 1994. <https://www.ncbi.nlm.nih.gov/pubmed/7860967>.

⁶⁷ Rice, Thomas, Morrissey M.A., Monheit, Cafferata G.L., McCall, Link C.R., Christensen, et al. “The Medicare Catastrophic Coverage Act: A Post-Mortem.” *Health Affairs*. Accessed April 2020. <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.9.3.75>.

- The availability of comparable benefits to some retirees from their former employers at little cost

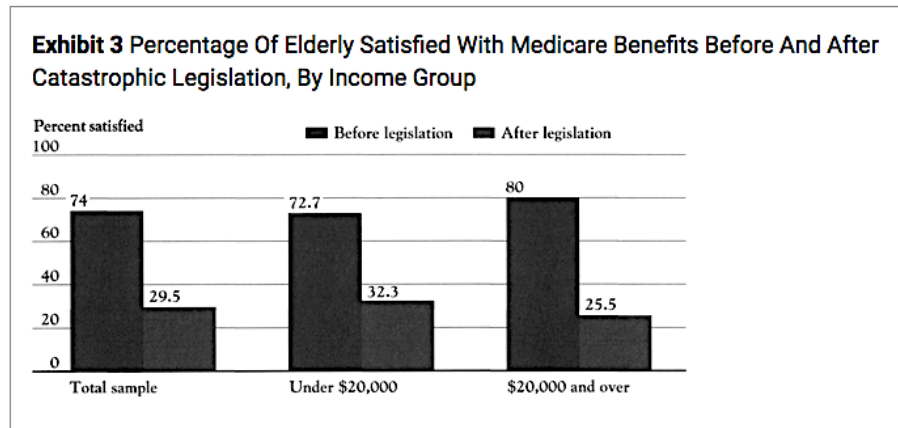


Figure 15 Source: HealthAffairs

Lastly, Obamacare is not favored by a majority of Republicans. According to Harvard Health Policy Review, there have been an assembly of attempts to repeal and replace the ACA. Senators have attempted to develop bipartisan measures to fix the ACA and stabilize health insurance markets.⁶⁸ Both Republicans and Democrats have distinct views in regard to policy goals. The Harvard Health Policy Review conducted a survey on United States Priorities and aggregated results from 182 Republicans and 192 Democrats. The graph below (figure 16) demonstrates distinct views, including a huge different in the role of government in healthcare.⁶⁸

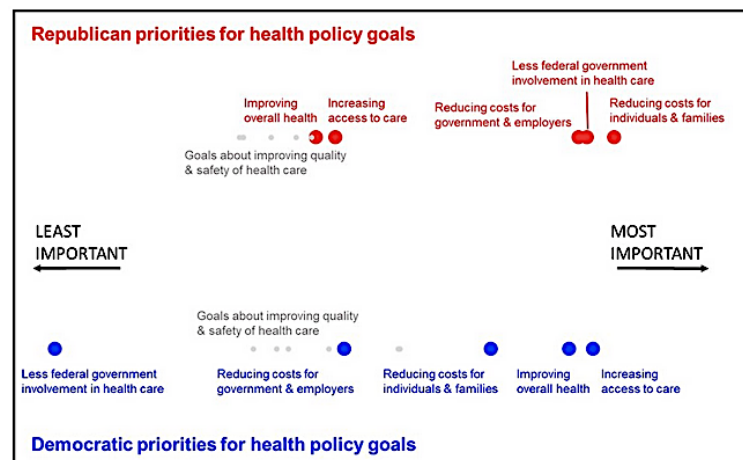


Figure 16 Source: Harvard Health Policy Review

⁶⁸ Hhpr. "Health Care: What Do Republican and Democratic Legislators Really Want to Achieve?" Harvard Health Policy Review. Harvard Health Policy Review, October 15, 2017. <http://www.hhpronline.org/articles/2017/10/15/health-care-what-do-republican-and-democratic-legislators-really-want-to-achieve>.

Republicans feel less federal government involvement in health care is most important, while Democrats are in the opposite side of the spectrum. The graphic also demonstrates the trade-offs between cost and coverage. Democrats rated improving health and access to care as most important, then reducing costs. However, Republicans rated reducing costs for individuals, families, and government at the “most important” end of the spectrum. Republicans’ legislation on health care has reflected priorities supporting the repeal and replacement of the ACA. Taking into consideration that currently a majority of the United States Senate is Republican, their priorities align with the repeal of the ACA. Consequently, the repeal of the ACA could have a drastic impact on long-term care and the financing.

House Speaker Nancy Pelosi has been involved in the long-term care in both of her terms as House Democratic Leader. Speaker Pelosi has a health care platform that is in alignment with the Democratic party. More recently, in March 2020, Speaker Pelosi introduced a plan to decrease the price of overall health care.⁶⁹ Speaker Pelosi’s new proposal is aimed at reducing costs under the current health bill and will make health care more cost-effective under the ACA, including expanding tax credits and subsidies to help people obtain insurance and creating a national program to help cover expenses for those with medical conditions.⁶⁹ Previously, in 2013, Speaker Pelosi appointed three, Senior Care Leaders to the bipartisan Long-Term Care Commission.⁷⁰ The Long-Term Care Commission was created as part of the American Tax Relief Act and was responsible for developing a plan to establish, implement, and finance a comprehensive set of long-term care services.⁶²

Additionally, Speaker Pelosi has distinct views on Obamacare as well. In a recent interview, Speaker Pelosi indicated improving the ACA is a viable solution because Medicare for

⁶⁹ Stolberg, Sheryl Gay. “Pelosi, Seeking to Insulate House Majority, Presses Plan to Lower Health Costs.” The New York Times. The New York Times, March 9, 2020. <https://www.nytimes.com/2020/03/09/us/politics/pelosi-democrats-health-care-plan.html?auth=login-email&login=email>.

⁷⁰ “Pelosi Appoints Three Health, Senior Care Leaders to Bipartisan Long-Term Care Commission.” Speaker Nancy Pelosi, June 19, 2014. <https://www.speaker.gov/newsroom/pelosi-appoints-three-health-senior-care-leaders-bipartisan-long-term-care-commission>.

All might not delivery to its fullest capacity.⁷¹ Speaker Pelosi has voted against repealing the ACA. For example, for the repeal of the Patient Protection and Affordable Care Act and Health Care-Related Provisions in the Health Care and Education Reconciliation Act of 2010 she voted nay, despite this bill passing the House.⁷² Another example of Speaker Pelosi voting nay is with a budget resolution to begin the process of repealing the ACA introduced in the fiscal year 2017.⁷³ However, this piece of legislation did pass in the House as well. Speaker Pelosi's plan further aligns with the majority Democratic party and mainstream party in the House of Representatives. Modifications to the ACA and added legislation to address long-term care reform have been initiatives for House Democratic Leadership and many Senators.

In the recent 2020 Presidential election, numerous major Democratic presidential nominees proposed platforms for the government to support older adults and families. Of the proposed platforms, there were three models including tax credits, universal government-funded benefits, and long-term care insurance.⁷⁴ Within this proposal, long-term care insurance is the core policy proposal. Former Mayor Pete Buttigieg proposed public insurance for older adults; however, Mayor Buttigieg did encourage individuals to self-finance their initial long-term care costs by simplifying and standardizing long-term care insurance.⁷⁵ On the other hand, Senator Bernie Sanders, another Democratic nominee, proposed a universal health insurance program that would cover the costs of long-term care.⁷⁵ While Senator Cory Booker proposed a plan to allow seniors or individuals who ho exceed the asset or income limits for Medicaid assistance for long-

⁷¹ Ashley_MTurner. "Nancy Pelosi Urges Caution on 'Medicare for All,' Says Obamacare Is Best Path to 'Quality, Affordable' Health Care." CNBC. CNBC, April 5, 2019. <https://www.cnbc.com/2019/04/05/house-speaker-nancy-pelosi-urges-caution-on-medicare-for-all.html>.

⁷² "The Voter's Self Defense System." Vote Smart. Accessed April 2020. <https://justfacts.votesmart.org/candidate/key-votes/26732/nancy-pelosi/91/health-insurance>.

⁷³ "Rep. Nancy Pelosi Votes on Obamacare." HealthReformVotes.org. Accessed April 2020. <https://www.healthreformvotes.org/congress/400314>.

⁷⁴ Gleckman, Howard. "A Closer Look At The Democratic Presidential Candidates' Long-Term Care Plans." Forbes. Forbes Magazine, January 27, 2020. <https://www.forbes.com/sites/howardgleckman/2020/01/27/a-closer-look-at-the-democratic-presidential-candidates-long-term-care-plans/#3bba3e5a7ef3>.

term care services to buy into the program.⁷⁵ These specific Presidential nominees are examples of Democrats that have noticed the issue of long-term care financing and proposed solutions, further implying that a solution from a political standpoint is a priority for many high-ranking Democratic nominees.

In conclusion, the political viability of the policy proposal varies from the general public to a congressional standpoint. The general public supports government-administered long-term care insurance and Medicare to cover the costs, particularly for those that need care for more than five years. On the other hand, younger individuals embrace less support for long-term care for seniors. From a congressional standpoint, Democrat and Republican platforms on health care vary significantly, and both are on opposite ends of the spectrum for a political long-term care solution. While there have been efforts from congressional leadership, politically, there are vast differences in health policy goals that continue to separate both governing political parties in the United States and produce delay for a long-term solution.

Recommendation

The issue of out of pocket costs for long-term care and the Medicaid eligibility requirements pertaining to the spending down of assets are two unified problems that will continue to have political and public attention. I recommend not moving forward with this proposal to amend the Deficit Reduction Act to expand the Partnership Program and require all states by new legislation to offer an employer-based long-term care insurance option due to the lack of political bipartisanship and potential policy flaws. From a policy perspective, there have been several international studies conducted that have implemented long-term care insurance, similar to the one proposed, and have been successful. The positives of long-term care insurance found in the international studies discussed in the policy analysis include:

- Public satisfaction with modest benefits

⁷⁵ Where the 2020 Democratic presidential candidates stand on health care issues. Accessed April 2020. <https://www.americanhealthline.com/analysis-and-insight/features/2019/february/democrats-health-care>.

- More efficient allocation of resources for taking care of the aged population
- Reduced financial and psychological stress
- Reduction of burden among family caregivers
- Sense of financial security

In addition to the positives from the international studies, the proposal could include substantial Medicaid savings. Since the proposal will not add to Medicaid spending, there will be savings if implemented. As noted previously, the Washington state legislature passed a law related to long-term care, and the projected Medicaid savings are ample. Lastly, another policy benefit is ultimately long-term care insurance via the expanded Partners Program and new legislation, which will prevent impoverishment due to Medicaid eligibility and help families cover care costs.

Despite all the policy benefits, there are significant consequences. The consequences include Medicaid savings might not be likely, and long-term care insurance policyholders are more likely to have higher incomes and more assets, not assisting the population in need. Consequently, there is the possibility of exhaustion of insurance benefits, which can result in paying out of pocket costs eventually. Additionally, the proposal does not directly resolve the Medicaid requirement issue; in a sense, it merely covers it or attempts to avoid it. An individual can obtain long-term care insurance; however, as noted previously, they could very well end in still paying out of pocket costs to obtain Medicaid eligibility. As discussed in the policy analysis, the GAO found when an individual owns long-term care insurance of some form, Medicaid begins paying for the individual's long-term care at about the same time as the uninsured. Furthermore, Medicaid is paying the cost of care for around the same period, and the consumer is either paying for insurance or out of pocket costs. This conclusion could be retested to ensure accuracy; however, this confirms the complexity of the proposal to be slightly flawed. Due to the fact that if an individual is either paying for insurance or out-pocket costs, there are still virtually no savings, which neglects the goal of the solution, being an unfortunate downfall.

Another consequence is the political costs outweigh the policy benefits. There is an array of views between the general public and the government as to the solution to the long-term care financing and who should pay. The general public supports a government-administered long-term care insurance program, or Medicare pays for its entirety. Contrary, the younger population has little confidence in government safety-net programs and less likely to support senior long-term care programs. Additionally, Democrats and Republicans are at the opposite ends of the spectrum when it comes to agreeing on health policy solutions. With this said, since both political parties are not in agreement with solutions to long-term care or the ADA, which comprises of much long-term care legislation, it will be problematic to pass any legislation on behalf of Medicaid or long-term care financing. As noted in the political analysis, a consequence is that Republicans and Democrats have different health policy goals, and much proposed long-term care solutions have either been repealed, remained in an introduced state, or referred to a committee.

Furthermore, there is a lack of bipartisanship when it comes to a solution to long-term care, and there has been for a significant amount of time. The amending of the Deficit Reduction Act and employer-sponsored long-term care insurance legislation does not have political favor nor resolves the entire issue of long-term care costs and the Medicaid requirements that cause spend down, which leads to impoverishment. Long-term care insurance might be a solution that has worked in other countries that have dissimilar government or health care platforms. Therefore, with the current political climate in the United States and a Republican-dominated Senate and still the potential for the ultimate repeal of the ACA, there is a low chance any type of amendments or new legislation would pass in Congress without concrete proof of benefits or financial savings. While Washington's legislature did pass a bill to help with long-term care, the Medicaid savings are not proven, nor that long-term care insurance would be entirely successful in all U.S. states.

While some of the cons can be addressed, for example working with the long-term care insurance programs approved by the state to not exhaust benefits or waiting till the 2020 election

ends with potential for a Democratic president that might drive Congress to find a solution to long-term care, these solutions may not happen or can take an extensive amount of time. In the meantime, long-term care costs are still rising, and Medicaid spending is increasing.⁷⁶ By the time the problem is approached congressionally, it could worsen, and the past could repeat itself, with legislation proposed being repealed or never enacted.

⁷⁶ Gibson, William E. "Long-Term Care Costs May Double by 2047." AARP, March 19, 2018. <https://www.aarp.org/health/health-insurance/info-2018/costs-long-term-care-fd.html>.

Curriculum Vita

Ileana Marie Carrion was born on September 20, 1994, in Springfield, Massachusetts, and grew up in Amherst, MA. She attended the University of Massachusetts in Amherst, MA, and graduated magna cum laude with a Bachelor of Science in 2018, majoring in Public Health Sciences. During her undergraduate career, she interned for two members of Congress, including United States Senator Elizabeth Warren (D-MA) and United States Congressman Jim McGovern (D-MA). Post-internships, she accepted a position as a Government Affairs and Member Relations Associate at the trade association, Education Finance Council (EFC) in Washington, DC. During her time at EFC, she attended an abundance of higher education and federal government meetings all over DC. She kept frequent contact with nonprofits all over the nation that provide alternatives to student financing. After her time in DC, she worked in municipal government in Greenfield, MA, and enjoys everyday constituent contact and local city events. Carrion remains engaged in activism and is an advocate for the American Cancer Society and Amyotrophic Lateral Sclerosis Association.

Ileana Marie Carrion

Education

John Hopkins University, Krieger School of Arts and Science

Exp. August 2020

M.A., Public Management

Advanced Academic Programs, Department of Governmental Studies

- Capstone: “Long-Term Care in the United States” policy proposal and analysis addressing out of pocket costs for long-term care and the Medicaid eligibility requirements.
- Capstone Supervisor: Professor Paul Weinstein
- Courses: Public Policy Evaluation & the Policy Process; Financial Management and Analysis in the Public Sector; Fundamentals of Nonprofits and Nonprofit Management; Campaigns and Running for Office; Financial Management and Analysis in Nonprofits, Fundamentals of Quantitative Methods; Legislative Language and Policymaking; Project Management for NGOs; Capstone for Public Management

University of Massachusetts Amherst

February 2018

B.S., Public Health Sciences

Professional Experience

Mayor’s Office, Greenfield, MA

Administrative Assistant to Mayor

2019 - 2020

- Performed varied duties ensuing compliance with applicable laws, rules, regulations, and city policies, procedures, and methods.
- Control confidential city-wide records subject to non-disclosure or limited disclosure pursuant to statutory, collective, bargaining, or departmental prescript.
- Performed frequent contact with the general public /constituents; other city departments, officials, boards and committees; employees, state and federal officials and agencies, outside organizations, vendors, contracts; and other legal and civic leaders.
- Executed all administrative duties for the Mayor including meeting scheduling, phone calls, direct mail, outreach, communication, committee agendas, website updates, and follow-ups.
- Developed and wrote Executive Orders, Memorandums, Notices, Press Releases, Proclamations, and Certificates.
- Scheduled and prepared materials for City Council meetings according to City Charter.
- Primary point of contact for all constituent matters and regularly assisted public with concerns and questions.
- Managed all parking for Greenfield and successfully acquired over \$32,000 in parking revenue for the remaining months of 2019.
- Represented Mayor Martin in community events and interviews.

Education Finance Council, Washington, DC

Government Affairs and Member Relations Associate

2018 - 2019

- Monitored and redlined amended legislation for EFC president and website.
- Supervised and led the Government Affairs committee and Capitol Hill briefing updates.
- Drafted and reviewed EFC bill endorsements including congressional outreach and bill language proposals.
- Directed member outreach, concerns, communication, committee agenda creation and distribution, and arranged calls.
- Delivered all administrative duties including meeting scheduling, phone calls, direct mail, membership follow-ups, data execution, survey administration, facilitated staff meeting preparation, and invoicing.
- Served as the main point of contact for EFC conferences and national engagement.
- Attended higher education and federal government- related meetings all over the DC area.

University of Massachusetts-Center for Women and Community, Amherst, MA

Information and Referral Specialist

2016 - 2018

- Collected and compiled extensive resources to clients via Hampshire County databases.
- Provided Hampshire County clients with resources including general and domestic violence counseling.
- Administered over 20 phone calls, referrals and walk-ins per day.
- Completed over 120 hours of training for sexuality, empowerment, leadership, and trauma-informed issues.
- Participated in testing for sexual health and consent programs in the Community Education Department.
- Updated informational and referral staff training manual.

The Office of Congressman Jim McGovern, Northampton, MA

Constituent Intern

2018 - 2018

- Administered constituent intakes, disputes, concerns, and outreach within Western Massachusetts.
- Constructed and compiled various constituent cases and policy concerns to advocate on the behalf of the constituents to federal and state agencies.
- Participated and represented Congressman Jim McGovern in local town and city meetings with officials and grassroots organizers to celebrate successes and analyze local community needs.
- Directed all administrative duties including constituent and state representative phone calls, direct mail, invite scheduling, event briefs, referrals, U.S. Service Academy Appointments candidate organization, and data entry.

The Office of Senator Elizabeth Warren, Springfield, MA

Constituent Intern (Stipend Recipient)

2017 - 2017

- Corresponded with over 150 constituents per day and addressed their concerns, disputes and current situation.
- Organized over 20 congressional constituent casework services per week to advocate on the behalf of the constituent to federal, local, and state agencies.
- Participated in meetings with local city officials and grassroots organizers to better understand their needs and community concerns.
- Managed all administrative duties including constituent and state representative phone calls, direct mail, development of citations for award winning community members, and data entry to ensure best services for constituents.
- Developed and drafted No Jurisdiction letters, privacy release forms, and case update inquiries.
- Coordinated Senator Warrens Western Massachusetts town hall meetings for constituents; specifically focused on registration and overall function assistance.

Community Experience

Amyotrophic Lateral Sclerosis (ALS) Association

Advocate Volunteer

2018- Present

- Call and email members of Congress or state representative regarding legislation for ALS services and support equipment.
- Participate in campaigns to increase funding for ALS research, free ALS equipment for patients, and patient support.

American Cancer Society

Advocate Volunteer

2016 - Present

- Call and email members of Congress or state representative regarding legislation for fight against cancer.
- Participate in campaigns to increase funding for cancer research, cancer screening tests, and patient support.